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Governor Baker Signs Grand Bargain Legislation

Compromise bill creates a permanent sales tax holiday, increase in minimum wage and a new paid family and medical leave program in Massachusetts

BOSTON – Today, Governor Baker signed H.4640 *An Act relative to minimum wage, paid family medical leave and the sales tax holiday*, also known as the “Grand Bargain.” The compromise legislation will create a permanent sales tax holiday, increase the minimum wage over the next five years and create a new paid family and medical leave program in Massachusetts.

“I am thankful that all parties came together, compromised and found common ground to produce a better set of policies than what the ballot questions represented,” **said Governor Charlie Baker**. “The Massachusetts workforce continues to grow with more and more people finding jobs and our administration is committed to maintaining the Commonwealth’s competitive economic environment.”

“Compromise on all sides made this legislation possible and our administration remains committed to making the Commonwealth the best place to live, work and raise a family,” **said Lt. Governor Karyn Polito**.

“This compromise strikes the right balance of empowering employees, supporting our hardworking residents and ensuring that businesses can continue to provide good, steady jobs,” said **House Speaker Robert A. DeLeo (D-Winthrop)**. “I sincerely thank the stakeholders who came to the table and the legislators who brokered this compromise.”

“This legislation is a true balance – one that reflects the real concerns facing both working families and business owners, while continuing to grow the Massachusetts economy,” **said Senate President Harriette L. Chandler (D-Worcester)**. “I’m pleased that Massachusetts will be one of the first states with both a \$15 minimum wage and a comprehensive paid family and medical leave program. I’m just as pleased that small businesses across the

Commonwealth will continue to have the resources and room they need to flourish. I'm proud of the strong collaboration among stakeholders, House and Senate members in reaching this compromise, and thank them for their efforts in coming together throughout this process."

"I'm pleased that this compromise will lift up working families in the Commonwealth, with a \$15 minimum wage and a strong paid family and medical leave program," **said Senator Jason Lewis (D-Winchester), Senate Chair of the Committee on Labor and Workforce Development.** "At the same time, the legislation balances the concerns of employers, particularly small businesses that form the backbone of our Main Streets. I greatly appreciate the hard work and spirit of collaboration that all the stakeholders have exhibited through this process."

"Regardless of what happens in Washington DC, this law demonstrates that in Massachusetts we can come together to create policies which benefit working families, employers, and the Commonwealth as a whole," **said Representative Paul Brodeur (D-Melrose), Chairperson for the Joint Committee on Labor and Workforce Development.** "While this process took months, I am proud that this law strikes the right balance in delivering improved wages and expanded benefits for millions of hard working residents while providing key protections for small businesses."

The legislation signed into law today will create a permanent 2-day weekend sales tax holiday, a provision recently proposed as part of the Baker-Polito Administration's Economic Development Bill to provide annual relief for consumers and increased sales for retailers. The new law will begin in August of 2019 and the particular weekend will be determined by the Legislature.

The bill will also gradually raise the Commonwealth's minimum wage to \$15/hour over five years, with an initial increase taking effect in January 2019. Coupled with that increase will be a raise to the minimum base wage rate for tipped workers, up to \$6.75, that will also phase in over a 5-year period commencing in January of 2019. Wage policies for Sunday and Holiday pay will also be reformed and brought inline with most other states across the country.

The third major component of H.4640 introduces a new Paid Family and Medical Leave program for in Massachusetts employers and employees. The new program will provide employees who contribute to the program the ability to take paid leave for up to 12 weeks a year care for a family member or bond with a new child, 20 weeks a year to deal with a personal medical issue, and up to 26 weeks to deal with an emergency related to deployment of a family member for military service. Weekly benefit amounts will be calculated as a percentage of the employee's average weekly wage, with a maximum weekly benefit of \$850. Self-employed persons may opt into the program. For the law to apply to municipal employees, the city or town involved must vote to accept participation in the program.